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December 5, 2008

Mr. Michael Genest  
Finance Director  
Department of Finance  
915 L Street  
Sacramento, CA 95814

Dear Mr. Genest:

Pursuant to the Budget Act of 2008, Item 0890-001-0890, Provision 3, the Secretary of State (SOS) is submitting this quarterly report to provide the status of the implementation of the Help America Vote Act (HAVA).

In the first quarter, the SOS activity continued in several areas: 1) Reimbursement to counties under HAVA Section 301 and final payments to counties under the recently-expired 261 contracts; 2) Planning and procurement efforts related to the HAVA 303 requirements to create a statewide voter registration database; 3) Meeting administrative requirements for the HAVA program; and 4) Providing voter education.

County Reimbursements: County requests for reimbursements slowed somewhat, as counties concentrated their efforts in preparing for the challenges of the election.

Statewide Voter Registration Database (VoteCal): The SOS is continuing the procurement process for the statewide voter registration database (VoteCal) project, which is required pursuant to the November 2, 2005, MOA executed with US Department of Justice (US DOJ) and HAVA Section 303.

Pursuant to an approved Feasibility Study Report (FSR), the SOS, with the participation of and in close consultation with the Department of General Services, conducted confidential bidder discussions under the solution-based procurement process provided for in state law. As in prior quarters, SOS continued working closely with required consultants (IPOC, IV&V and project and contract managers), and consulted extensively with county representatives (conducting five regional meetings, attending regularly scheduled California Association of Clerks and Election Officials (CACEO) monthly meetings and making a formal presentation at the CACEO biannual, summer conference). The SOS also apprised a stakeholder advisory committee, comprised of subject-matter experts, election rights advocates and county election officials that was formed prior to the release of the Request for Proposal (RFP) on December 13,

2007, on progress during the bidding process. In addition to notifying advisory committee members of each development in the bidding process, the SOS offered members the opportunity to provide comments at any time during this process. During this quarter, confidential bidder discussions continued, and addenda to the RFP were issued based on input, comments and questions from all sources – county election officials, the advisory committee, and vendors that have expressed an interest in submitting a final bid. Several iterations of draft proposals were received from potential bidders and were reviewed in detail by the project's proposal evaluation team. Detailed, written feedback was submitted for each such proposal and provided to the appropriate bidder(s) in preparation for subsequent multi-day, post-draft evaluation confidential discussions.

Preparations for the November General Election: As previously noted, activities related to the 2008 election cycle were conducted that included processing some county invoices for HAVA related expenses incurred for voter education, voting system procurement, and poll worker training. Voter education activities included partial funding for publication and translation of both an Easy Voter Guide and a Smart Voter webpage that provides voters with comprehensive information on candidates and ballot measures, and Election Day procedures. The SOS personnel assisted the League of Women Voters and other organizations in the production and distribution of these resources to individuals and to community groups interested in performing voter outreach. HAVA also supported the Voter Hotline, which received tens of thousands of inquiries from voters. While this hotline normally goes "live" one week before the election, the hotline had to go live the second week of October, due to the volume of calls regarding the November Election. Voters called the hotline to ask about voter registration, to find out how to volunteer as a poll worker, to ask how to find their polling place, and to ask questions about Election Day processes and procedures.

Administration: The SOS renewed its request for additional guidance from the EAC on use of HAVA funds for voting system upgrades, and for voter education and poll worker training efforts necessary to ensure full implementation of HAVA requirements.

The SOS also filed all required reports to state and federal officials, including: issuing monthly reports to the US Department of Justice on progress toward implementing the Statewide Voter Registration Database pursuant to an executed Memorandum of Agreement (see also "Statewide Voter Registration Database (VoteCal)" above); and submitting monthly Independent Project Oversight Reports to the Legislature.

In the third quarter of 2006-07, the SOS secured additional federal funding of just over \$1 million provided by Congress via an omnibus appropriations bill enacted at the end of calendar year 2007. The SOS issued a Request for Interest (RFI) to counties to determine the counties' level of interest in participating in a

competitive grant program for use of these funds and funds received in fiscal years 2006, 2007 and 2008 in the amount of \$3.2 million.

The SOS closed out contracts with counties that allocated funding for improving polling place accessibility under a per capita formula from previous federal allocations totaling \$3.345 million. Reminders were sent to the county and guidance was offered on using these funds, which will be reclaimed by the federal Department of Health and Human Services if they are not expended within five federal fiscal years. However, some of the funding is still available for county use, as the "sunset" for expending funds received in 2005 has not yet expired. Pending approval of a HAVA spending plan amendment, the remaining balance of approximately \$500,000 would be made available for those counties that have not exhausted previous funding through a new contract. The funding would be available to counties until the federal fiscal year ending September 30, 2010.

The SOS, pursuant to HAVA spending plan authorization, executed a contract with the state Department of Rehabilitation, Disability Access Section, to update guidelines issued pursuant to federal law on polling place accessibility for the elderly and voters with disabilities. The multi-year contract provides the SOS with the expertise necessary to update those guidelines (last issued in 2001), create a survey instrument to measure polling place accessibility, and to provide training to county elections officials on assessing polling place accessibility.

In the third quarter of 2006-07, the United States Congress appropriated additional HAVA funding to meet Title III requirements (voting system upgrades, provisional voting rights, voter information requirements and statewide voter registration database mandates). California is slated to receive \$12.9 million of the Title III appropriation, according to the EAC. In order to receive the funding, California (and all other states) will first be required to update State Plans that detail implementation of HAVA to date and provide the state's "best estimate" for expending additional funding. Under HAVA, developing a State Plan is a multi-step process that requires the appointment of and consultation with an advisory committee with specified membership; publication of the State Plan for public comment at the state level; submission of the State Plan to the EAC for publication in the Federal Register; and submission of a specified certification to the EAC that a State Plan has been submitted pursuant to the process described and that the state is in compliance with other federal election laws, such as the Voting Rights Act.

Via a January 24, 2008, letter, the EAC provided states with official notification of the appropriation, including each state's proportionate share, and information on the process for qualifying for the funds (as outlined above). The SOS has named the State Plan advisory committee members as required and is providing those advisory committee members with draft sections of the State Plan update for


review and comment. This process is being used in consideration of the time and resource demands on county elections officials and voting rights advocates – the very people who would be most interested in this endeavor and who serve on the required advisory committee.

Spending for the current fiscal year is artificially low, due to the delay in passing the budget. The following table summarizes the first quarter expenditures by activity for the current and prior fiscal year:

Activities	1st Quarter FY 07/08 (in thousands)	1st Quarter FY 08/09 (in thousands)	Total Spent 1st Quarter (in thousands)
Voting Systems (including AVVPAT)	\$1,073	\$0	\$1,073
Statewide Database (VoteCal)	\$75	\$50	\$125
VoteCal Redirected Staff	\$0	\$41	\$41
Interim Solution – SOS	\$10	\$0	\$10
Interim Solution – County Retrofit	\$0	\$0	\$0
Voter Education	\$48	\$0	\$48
Voting System Technology	\$0	\$0	\$0
Poll Monitoring	\$0	\$0	\$0
EAID Compliance – SOS	\$0	\$0	\$0
EAID Compliance – County Grants	\$473	\$0	\$473
Administration	\$54	\$100	\$154
Total	\$1,733	\$191	\$1,924

If you have any questions regarding this report, please contact Dora Mejia, Chief of Management Services Division, at 653-1471.

Sincerely,

  
Janice Lumsden  
Deputy Secretary of State, Operations

cc: Honorable Denise Moreno Ducheny, Chair Joint Legislative Budget  
Committee  
Ms. Robin Baker, Department of Finance  
Ms. Kia Cha, Department of Finance  
Mr. Chris Reynolds, Secretary of State, HAVA Coordinator  
Ms. Dora Mejia, Secretary of State, Chief Management Services Division  
Ms. Shigeko Shibata, Secretary of State, Fiscal Officer

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Ms. Linda Arviso Hunt, Secretary of State, Manager, Fiscal Affairs  
Ms. Lan Yan, Secretary of State, Budget Office